

## **FY18 “Budget on One Page”**

The following is brief overview of key parts of the FY18 proposed budget. Please see the budget message and departmental budget sections for details.

### **FY18 BUDGET EXPENDITURES**

	FY18	FY17 Dif
General Fund	\$ 10,399,638	5.2%
Stormwater Fund	\$ 601,750	0.8%
Water/Sewer Fund	\$ 11,704,778	5.6%
<b>Total</b>	<b>\$ 22,706,166</b>	<b>8.3%</b>

### **TAXES & RATES**

- Property taxes – no change. Will adjust rate from 68 cents down to “revenue neutral” rate of 62.16 cents per revaluation projections from Orange County Tax Assessors Office. This will be the fifth consecutive year without a rate increase.
- Water rates – no change. This will be the fifth consecutive year without a water rate increase.
- Sewer rates – no change.
- Stormwater fee – no change.
- Vehicle fee – increase from \$10 to \$30, dedicated to help fund the street repaving program.

### **GENERAL FUND – PROJECTS & INITIATIVES**

- ✓ Street Repaving – \$380,000 keeps the town on pace to repave about 5% of streets or on a 20-year cycle.
- ✓ Public Works Facility Relocation to NC86 North Property – \$1 million is the placeholder cost figure until engineer estimates become available. \$44,971 is allocated in FY18. That payment increases to \$89,941 in Year 2 of the plan.
- ✓ North Campus Project – relocates the Town Hall Annex (finance and billing operations) and the Town Barn meeting room functions to the former medical offices located at 101 E. Corbin Street. Converts the Town Barn meeting room into much needed office space. Placeholder cost for the project is approximately \$1.25 million until design and architects estimates can be made. Annual debt services payments of \$131,133 are projected.
- ✓ Fiber Loop/Network connecting town facilities making file sharing and communication between departments easier. Significantly reduces phone and internet costs. Partnering with Orange County to share costs. Simultaneously builds a fiber backbone that makes it easier for a third-party provider to provide fiber service to the community. Cost estimates are currently being developed. \$1.5 million and a 10-year loan with \$184,936 annual debt payments starting in Year 2 (FY19) is placeholder figure until firmer estimates are available.
- ✓ Police vehicles (10): \$460,000 to replace aging vehicles and implement an Individually Assigned Vehicle Program. The HPD is one of the few agencies in the area that does not have such a program and that deficiency makes

recruiting and retaining officers more challenging. This will also increase police visibility in the community.

- ✓ Police Radio Replacements: \$70,000 completes the second half of replacing the 10-year old radios in the department and purchasing some additional units.

### **Personnel – New Positions, Merit, Pay Plan, Etc.**

- ✓ Police Management/Crime Analyst
- ✓ Fire Inspector (Part-time: 0.2 FTE)
- ✓ Firefighters – split the cost of three new positions with the Orange Rural Fire Department starting in January 2018.
- ✓ Water Plant Operator/Trainee – Several operators are currently eligible for retirement in this small yet critical division. Staff has been short-staffed for prolonged periods over the past few years. It takes a long time to get an operator trained.
- ✓ Merit System – 3.25% average raise. General Fund: \$95,000. Water/Sewer Fund estimate: \$35,000.

### **WATER/SEWER FUND – EXPENSE HIGHLIGHTS**

- ✓ Reservoir Phase II (\$8.3 million): Annual debt payments are projected to be about \$772,000 per year, but only about half that amount will be due in FY18.
- ✓ Water Treatment Plant, Operator/Trainee – Several operators are currently eligible for retirement now. Within four years, four operators may have retired. Adding a new operator position now is essential to succession planning for this critical operation.
- ✓ Main Control Panel Replacement at Water Plant (\$95,000) – The panel is original to the 1972 plant, is the heart of the operations, there are occasional problems, and if it suddenly malfunctions it could take the water plant out of operation for an extended period of time.
- ✓ Replace 1993 Dump Truck (\$55,000) with a used but relatively newer model truck to save funds.
- ✓ Design for Expansion of Old Water Plant (Line Crew & Operations Building), \$50,000. Construction is planned for Year 2 (FY19) at approximately \$280,000.
- ✓ Replace 1971 Tanker (\$60,000) – used during emergencies to pump out stations to prevent sanitary sewer overflows. Parts are difficult to find for this 46-year old tanker.
- ✓ Sewer Line Repairs: \$50,000. Continues annual “inflow & infiltration” reduction program.

### **Fund Balance (Savings Levels) at End of FY18**

- General Fund: \$3,023,966 / 3.5 months of operating equiv.
- Water/Sewer Fund: \$3,444,525 / 3.5 months
- Stormwater Fund: \$0 / 0.0 months
- Powell Bill (gas tax for streets): \$14,249